Credit Update – September 16, 2009

Executive Summary

Executive Summary

First-Half 2009 Highlights

In an exceptionally weak economic environment,

- **Prepaid Services**
  - **Growth in revenue (+5.7% L/L[1]) and margin (+0.4pt L/L)**
- **Hotels**
  - **Economy hotels excluding the US:**

    Resilient revenue (-7.3 %L/L) and margins (-2.3pts L/L), led in particular by a solid performance in France
  - **Upscale and Midscale Hotels and Economy Hotels US:**

    2 segments severely impacted by the crisis
- **Operating profit before tax and non-recurring items: €182m (down 44.5% L/L)**
- **A solid balance sheet**
  - FFO/adjusted net debt ratio[2]: **21.5%**
  - **€1.8bn** in unused confirmed lines of credit at June 30, 2009

[1]Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates
[2]Funds from operations before non-recurring items/ Net debt adjusted for NPV of minimum lease payments discounted at 8% (Standard & Poor's methodology)

Executive Summary

First-Half 2009 Highlights

- **Marketing responsiveness in the two businesses**

- **50% of cost-cutting plans already completed in H1**
  - Operating costs reduction plan in the owned/leased hotels: €**72m** already completed in H1; total target raised from €120m to **€150m** over the full year
  - Support costs reduction plan: **€37m** already completed in H1 out of an annual target of **€80m**

- **Sustained expansion dynamic**
  - **12,100** rooms opened in H1 2009, out of the confirmed target of **30,000** for the year
  - **103,000** rooms in the pipeline

Executive Summary

In the absence of any visibility in the economic environment

Outlook for 2009

based on the following assumptions:

- **Slight growth** in Prepaid Services revenue, with a **more than 40% margin** in 2009
- **No significant improvement in the Hotels business** in H2
- **Cost-cutting plan** in the **owned/leased hotels stepped up** from €120m to **€150m**
- **Support costs** will be reduced by **€80m** during the year

2009 Guidance
Operating profit before tax and non-recurring items between €400m and €450m

ACCOR

Executive Summary

- The **transformation** underway over the past three years in our two core businesses has accentuated their **unique characteristics in very different sectors**

- Given the **depth** and **speed of the changes ahead**, the **transformation** and **development** of the two core businesses will be **stepped up**

Review of the potential benefits of demerging the two businesses into two independent companies, each with their own strategy and resources for growth

ACCOR

2009 Interim Results

Income statement highlights

In € millions	June 2008	June 2009	Change reported	Change L/L[1]
Revenue	3,758	3,410	-9.3%	-8.1%
Ebitdar	1,088	924	-15.1%	-15.0%
Ebitdar margin	*29.0%*	*27.1%*	*-1.9pts*	*-2.2pts*
Ebit	425	242	-43.0%	-39.0%
Operating profit before tax and non-recurring items	393	182	-53.7%	-44.5%
Operating profit before non-recurring items, net of tax	264	114	-56.8%	-
Net profit/(loss)	310	(150)	ns	-

[1] Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

ACCOR

H1 revenue: €3,410m

-8.1% — *L/L* *€(304)m*

+4.3% — *Expansion* *+€161m*

-4.5% — *Disposals* *€(169)m*

-1.0% — *Currency* *€(36)m*

-9.3% — *Reported* *€(348)m*

Like-for-like growth[1]

- Prepaid Services: +€26.4m, +5.7% L/L
- Hotels: €(320.1)m, -11.4% L/L
  - Upscale and Midscale: -13.3% L/L
  - Economy excl. US: -7.3% L/L
  - Economy US: -12.8% L/L

Impact of expansion

- Consolidation of Orbis: +€104.3m, +2.8%
- Openings: 12,100 new rooms (vs. 11,000 in H1 2008)

Impact of disposals

- Brazilian foodservices: €(70.4)m, -1.9% L/L
- Real estate transactions: €(56.2)m, -1.5% L/L
- Onboard Train Services contract in France: €(31.5)m, -0.8% L/L[2]

Currency effect

- USD: +1.1%, +€39.1m
- AUD: -0.6%, €(21.0)m
- BRL: -0.6%, €(21.6)m
- GBP: -0.7%, €(26.6)m

[1] Excluding changes in scope of consolidation and exchange rates
[2] Contract lost since March 1, 2009

ACCOR

EBITDAR margin:
Firm resistance in the two main core businesses

- **Weaker operating performance:**
  -1.9pts reported / **-2.2pts** L/L

- **Firm resistance in the two main core businesses**
  - **Prepaid Services:**

    43.2% margin, **+0.8pt** reported
  - **Economy Hotels excl. US:**

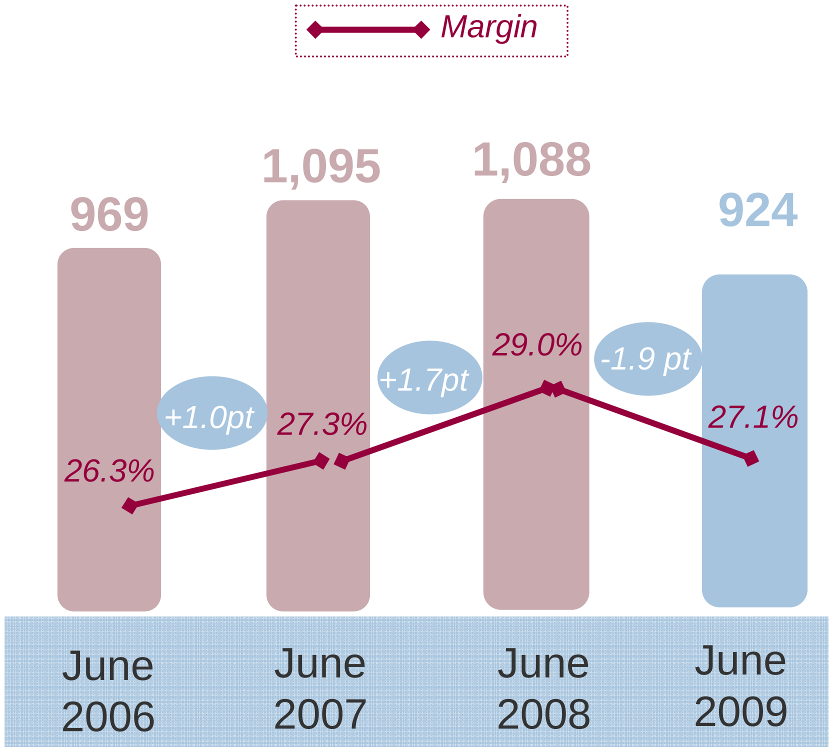
    34.1% margin, **-1.9pt** reported

- **Two hotel segments especially hard hit**
  - **Upscale and Midscale Hotels:**

    23.6% margin, **-4.1pts** reported
  - **Economy Hotels US:**

    30.8% margin, **-7.1pts** reported

EBITDAR (in € millions)



Prepaid Services: Solid margin improvement

Ticket Restaurant · Ticket Alimentaçaõ · Ticket Childcare Vouchers · Ticket Kadéos® · Ticket Car

In € millions	June 2008	June 2009	Change reported	Change L/L[1]
Operating revenue	*400*	*409*	*+2.2%*	*+6.8%*
Interest income	*59*	*56*	*-5.3%*	*-1.2%*
Total Revenue	**459**	**465**	**+1.3%**	**+5.7%**
Ebitdar	**195**	**201**	**+3.2%**	**+6.8%**
Ebitdar margin	***42.4%***	***43.2%***	***+0.8pt***	***+0.4pt***

- **Margin on operating revenue improved by 1.1pt L/L[1]**
  Flow-through ratio, excluding interest income: 51.3%
- **The decline in interest income reduced L/L margin by 0.7pt**

[1] Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

ACCOR Services

Upscale and Midscale Hotels hard hit by the crisis

In € millions	June 2008	June 2009	Change reported	Change L/L[1]
Revenue	**1,671**	**1,472**	**-11.9%**	**-13.3%**
Ebitdar	**461**	**347**	**-24.9%**	**-26.2%**
Ebitdar margin	*27.6%*	*23.6%*	*-4.1pts*	*-4.1pts*

Segment severely impacted by the economic environment in every country

Operating response ratio: 45.5%

[1] *Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates*

Economy Hotels excl. US: Resilient margin

In € millions	June 2008	June 2009	Change reported	Change L/L[1]
Revenue	**845**	**781**	**-7.6%**	**-7.3%**
Ebitdar	**304**	**266**	**-12.4%**	**-13.2%**
Ebitdar margin	*36.0%*	*34.1%*	*-1.9pts*	*-2.3pts*

In a very weak environment, margin demonstrated firm resistance, mainly due to the good performance in France

[1] Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

Economy Hotels US severely impacted by the crisis

In € millions	June 2008	June 2009	Change reported	Change L/L[1]
Revenue	**287**	**281**	**-2.0%**	**-12.8%**
Ebitdar	**109**	**87**	**-20.2%**	**-27.6%**
Ebitdar margin	*37.9%*	*30.8%*	*-7.1pts*	*-5.7 pts*

18.7% response ratio[2] after two years in a row of recession

[1] Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

[2] Response ratio = 1 – Flow-through

Operating profit before tax and non-recurring items

In € millions	June 2008	June 2009	Change reported	Change L/L[(1)]
Ebitdar	**1,088**	**924**	**-15.1%**	**-15.0%**
Rental expense	(453)	(435)	+3.7%	+2.3%
Depreciation & amortization	(210)	(247)	-16.9%	-6.4%
Ebit	**425**	**242**	**-43.0%**	**-39.0%**
Net financial expense	(50)	(58)	-14.8%	-2.4%
Share of profits/(losses) of associates[(2)]	18	(2)	n/m	n/m
Operating profit before tax and non-recurring items	**393**	**182**	**-53.7%**	**-44.5%**

€15m in savings from variable-rent leases

(1) Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates
(2) Orbis fully consolidated since July 1, 2008

ACCOR

Net profit

In € millions	June 2008	June 2009
Operating profit before tax and non-recurring items	**393**	**182**
Restructuring costs	(10)	(53)
Impairment losses	(36)	(194)[1]
Gains and losses on management of assets	130	(15)
Income tax expense	(152)	(52)
Minority interests	(15)	(18)
Net profit/(loss), Group share	**310**	**(150)**

Operating profit before non-recurring items, net of tax	**264**	**114**
Recurring earnings after tax per share (in €)	***1.19***	***0.52***

(1) *Of which €118m for Motel 6*

Cash flow

In € millions	June 2008	June 2009
Funds from operations before non recurring items	**487**	**378**
Renovation & maintenance capex	(184)	(180)
Free cash flow	**303**	**198**
Expansion capex	(594)	(480)
o/w Hotels	(574)[1]	(173)
o/w Prepaid Services	(5)	(20)
o/w Other Businesses	(15)	(287)[2]
Proceeds from disposals of assets	503	77
Dividends	(714)[3]	(369)
Capital increase	6	170[4]
Change in working capital	(147)	(313)
Tax dispute (CIWLT)	-	(242)
Other	(84)	70
(Increase) / Decrease in net debt	**(727)**	**(889)**

[1] o/w €(395)m on the exercise of call options on hotel properties, mainly in France and the United States
[2] o/w €(269)m for the acquisition of an additional 15% interest in Groupe Lucien Barrière
[3] o/w a special dividend (€332m) and an ordinary dividend (€382m)
[4] Shares issued on the reinvestment of dividend

ACCOR

A sound financial position

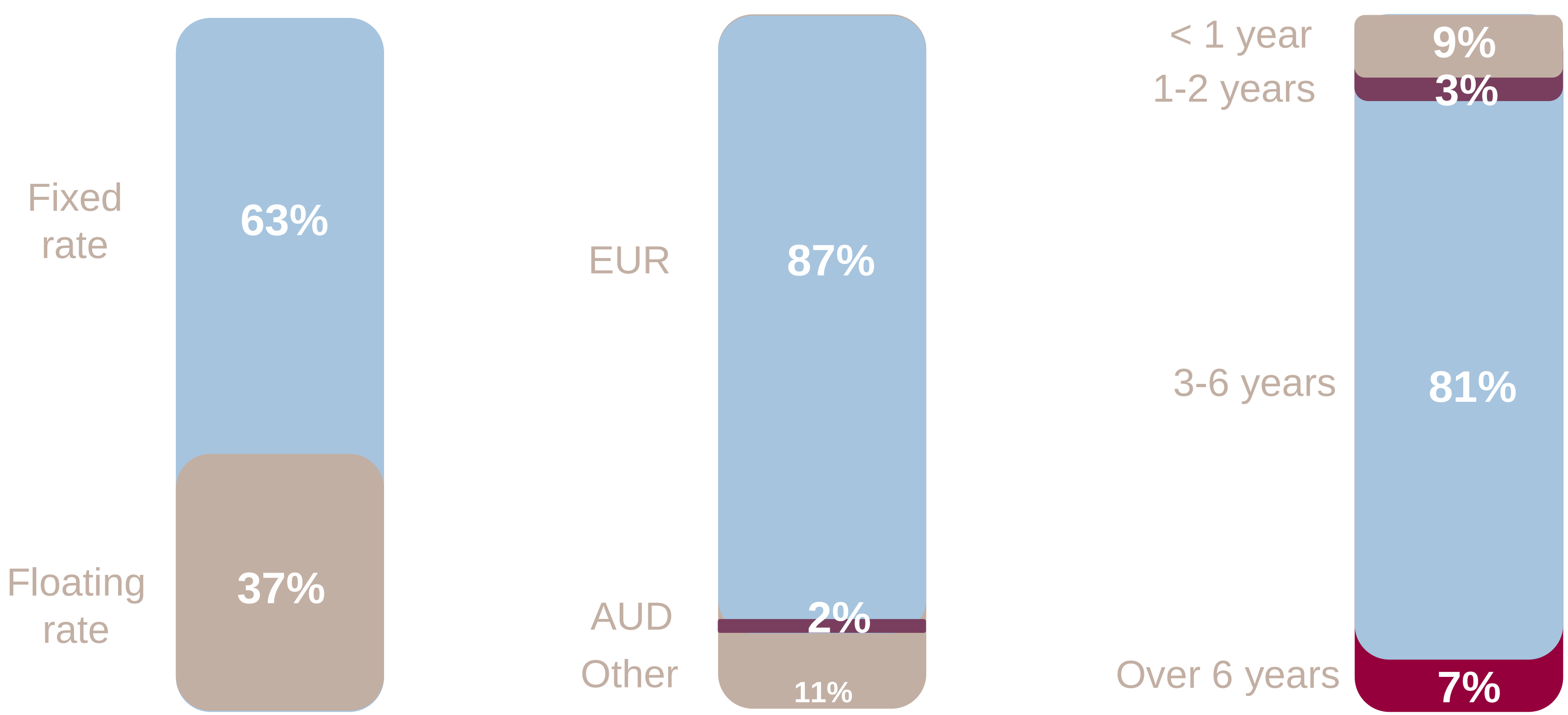
	June 2008	Dec. 2008	June 2009
Net debt (in € millions)	931	1,072	1,961
Gearing	28%	30%	59%
Adjusted funds from operations / Adjusted net debt(1)	**24.2%**	**25.8%**	**21.5%**

€ 2bn committed and unused credit lines as of Aug 31, 2009 (maturity between 2011 and 2013)

(1) Net debt adjusted for NPV of minimum lease payments discounted at 8% (Standard & Poor's methodology)

Long and Short-term Borrowings: €2,9bn (as of August 31, 2009)

By type of rate | By currency | By maturity



Average cost of debt: 4.96% as of August 31, 2009

ACCOR's Long Term Corporate Ratings

- S&P: BBB on CreditWatch Negative (Last update: September 10, 2009)
  - *"The CreditWatch placement reflects a combination of the cyclical downturn in Accor's lodging businesses as well as the uncertainties arising from the group's announcement that it is considering a possible demerger of its Prepaid Services division."*
  - *"Active cost-containment measures and continued top-line and margin growth in the Prepaid Services business provided some relief to negative operating trends"*
  - *"The group's credit ratios were affected by two one-off issues; First, a court judgment in respect of subsidiary Compagnie des Wagons-lits required Accor to pay additional tax of €242m in February 2009 (which the company is appealing). Second, Colony's Capital's exercised a put option in respect of its 15% stake in casino company Groupe Lucien Barriere in April that increased Accor's net debt by €269m."*
  - *"In our view, Accor's liquidity is "adequate" to "strong" for the ratings"*
  - *"Accor's main revolving credit facility is not due for renewal until 2012 and has no financial covenants"*
  - *"Disposal proceeds from any demerger could enable the group to reduce on balance-sheet leverage"*
  - *"We continue to view 20% lease-adjusted FFO to net debt as commensurate with the current tradings and the current business structure, but we will reassess both of these once further details are available regarding management's strategic intentions"*
- Fitch: BBB- on RWE (Rating Watch Evolving) (Last update : August 29, 2009)
  - *"The RWE reflects the uncertainties of whether a demerge is going to go ahead, what operating profile and capital structure the surviving rated entity will have, potential disposals that may be part of the process, and other factors. Given that the profit split of the business of 60/40, the announced potential demerger would be a fundamental change in the credit profile of the existing group, thus justifying the RWE action. Although management may well be targeting an investment-grade rating for the surviving rated entity, this is not assured."*
  - *"The agency plans to resolve the RWEs when a final decision is taken by the board and when more details on the financial aspects of the potential split are released."*

Return On Capital Employed

In € millions	Dec 2008 Invested Capital	Dec 2008 ROCE	June 2009 Invested Capital	June 2009 ROCE
Up & Midscale	4,258	*10.8%*	4,436	*7.7%*
Economy excl. US	1,778	*21.1%*	1,890	*17.7%*
Economy US	1,441	*9.1%*	1,601	*6.8%*
Hotels	**7,477**	***12.9%***	**7,927**	***9.9%***
Prepaid Services	**1,761**	***23.3%***	**1,599**	***25.9%***
Other Businesses	**851**	***5.5%***	**781**	***7.0%***
TOTAL	**10,089**	***14.1%***	**10,307**	***12.1%***

2009 Responsiveness

Nearly 50% of the owned/leased hotels cost-reduction plan was completed in H1

Operating costs reduction plan in owned/leased hotels stepped up to €150m from an announced €120m

Objective of a 35% response ratio[1] maintained
despite the steeper than expected decline in RevPAR in Q2

A 1pt change in RevPAR has a €32m impact on profit before tax

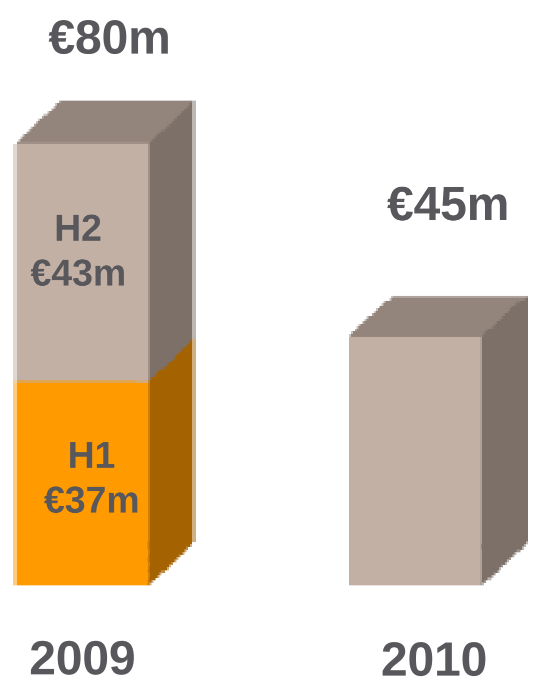
€72m already saved in H1

(1) Response ratio = 1 – (flow through)

Managing the support cost-reduction process

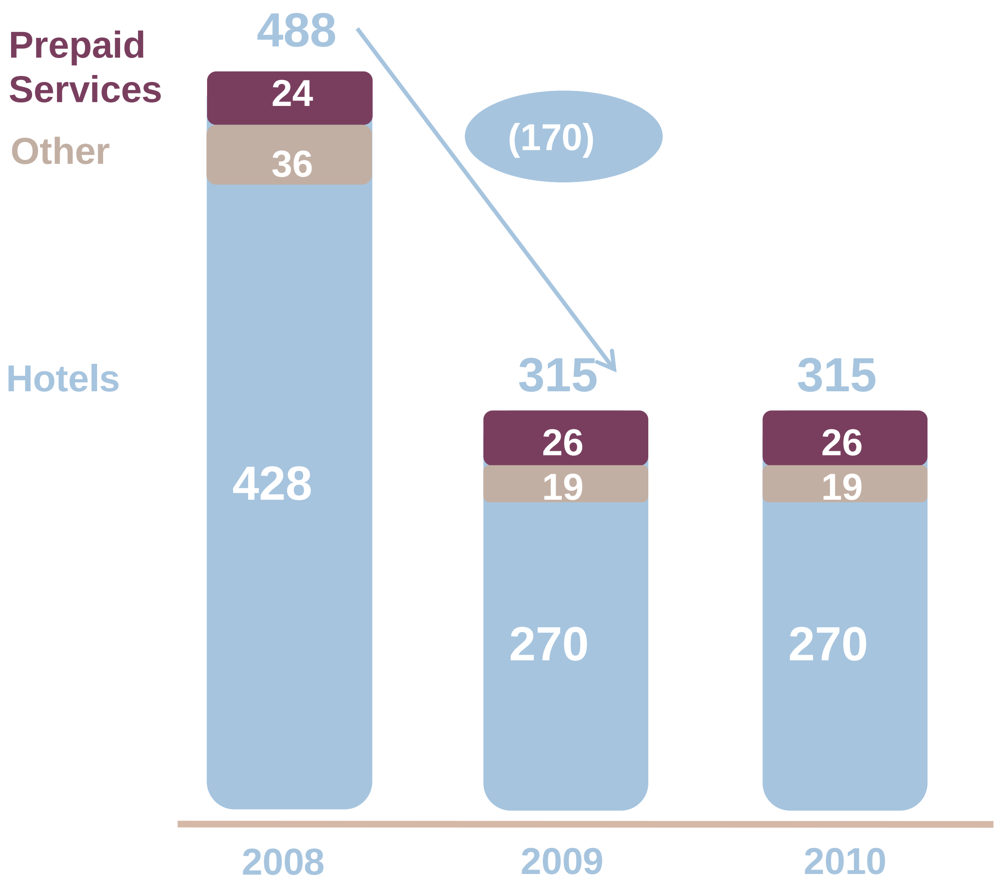
Reducing support costs by 15%

€125m cost-cutting plan



- **Adjusting the organization**
  - Teams resized in line with the smaller number of projects
  - Hiring frozen
- **Reviewing non-priority projects**
  - Renovation projects in certain brands canceled or postponed
  - Back-office projects canceled or postponed
  - IT and distribution projects scaled back
  - Image campaigns
  - Corporate philanthropy/sponsoring/ partnership programs reviewed
- **Corporate overheads**
  - Travel policies under review
  - Conventions and mass meetings suspended

Reducing renovation capex

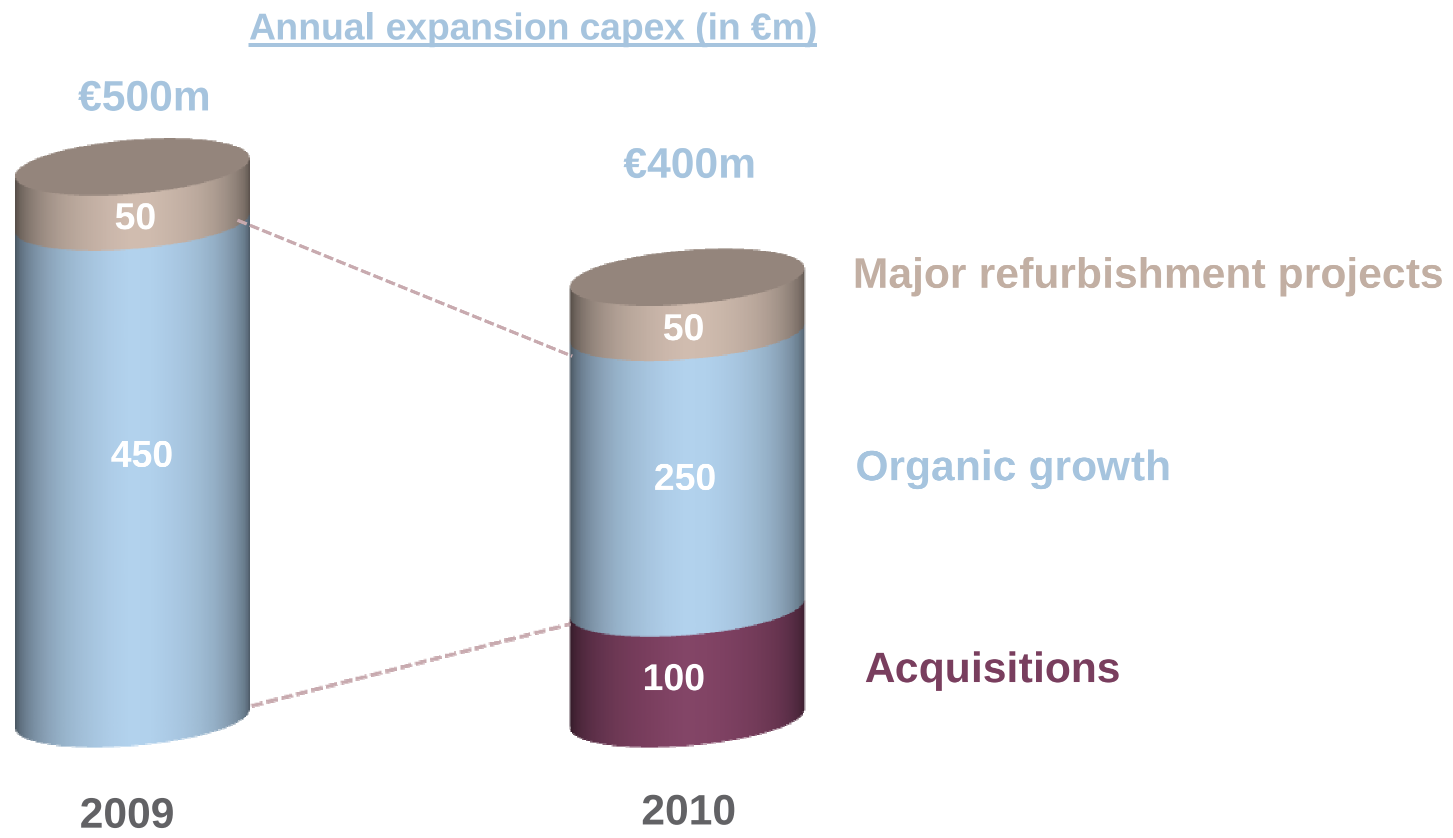


Hotel renovation capex

- Security and maintenance: €120m
- Major refurbishing projects: €30m
- Product renovations: €120m

TOTAL	€270m

Adjusting hotel expansion capex

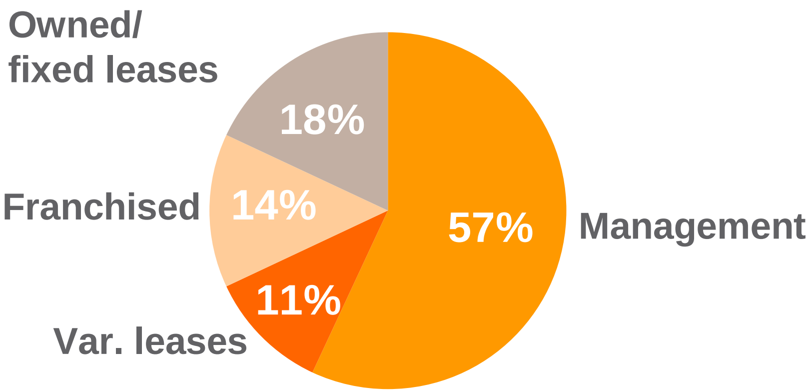


Reduced by €100 million in 2010

Expansion: a steadily growing pipeline

Pipeline at December 31, 2008	**100,560**
New projects	28,180
Openings	(12,100)
Canceled projects	(13,945)
Pipeline at June 30, 2009	**102,695**

Pipeline by ownership structure



More than 80% of the pipeline is in low-capital intensive structures

July Business Trend
2009 Target

Business trend as of end of July: Slight increase in revenue

L/L change	Europe			Latin America			Total		
PREPAID SERVICES	Q1	Q2	July	Q1	Q2	July	Q1	Q2	July
Operating revenue (%)	+5.9	+4.1	+3.3	+9.4	+7.7	+6.3	+7.7	+5.8	+4.4
Interest income (%)	+5.1	-10.8	-18.8	+26.3	-16.5	-26.5	+12.9	-13.5	-21.9
Total revenue (%)	+5.8	+2.0	-0.1	+11.6	+4.4	+1.5	+8.3	+3.2	+0.6

Slight increase in revenue, despite the faster decline in interest income

ACCOR

Business trend as of end of July

L/L change	Occupancy (pts)			ARR (%)			RevPAR (%)		
HOTELS	**Q1**	**Q2**	**July**	**Q1**	**Q2**	**July**	**Q1**	**Q2**	**July**
Up/Midscale Europe	-5.8	-8.8	-4.9	-0.9	-7.9	-5.8	-10.5	-19.2	-12.7
Economy Europe	-7.1	-7.7	-6.6	+3.4	+0.4	+0.1	-7.6	-9.7	-8.5
Economy US	-5.0	-7.3	-8.0	-3.8	-5.3	-4.7	-11.6	-15.7	-15.2

Improving trend in July,

with a shift in the guest mix (more leisure travelers)

ACCOR

2009 earnings guidance

Based on the following assumptions:

PREPAID SERVICES

- ❑ A more than 25% drop in interest income, causing revenue to show a slight gain for the year
- ❑ Operating margin will exceed 40% for the year

HOTELS

- ❑ In the absence of visibility, business is not expected to significantly improve in H2-2009
- ❑ The operating costs reduction plan has been stepped up from €120 to €150m (35% response ratio on operating costs in owned/leased hotels)

€80m in support-cost savings over the full year

2009 operating profit before tax and non-recurring items targeted at €400m to €450m

(1) Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

ACCOR

Two new ambitions

Demerger of the two businesses

The **transformation** underway over the past three years
in our two core businesses has accentuated
their **unique characteristics in very different sectors**

Review of the proposed demerger of
Hotels and Prepaid Services
into two independent companies each with their own strategy and resources for growth

ACCOR

Very different businesses

Prepaid Services: A new universe	**Hotels: Faster transformation**

Prepaid Services: A new universe

- From a **single product** (Ticket Restaurant meal vouchers) to a **multi-product** offering (CESU human services vouchers, Childcare, Gift Vouchers, etc)
- **A growing variety of media** (paper, cards, online, mobile phone), driven by **fast technological change**
- A **broader competitive** landscape with **world-class players**

Hotels: Faster transformation

- From a model based **primarily on owned/leased hotels** to one with **most hotels** operated under **management/franchise contracts**
- A fast changing **brand portfolio** in response to increasingly **segmented** demand
- A profound reshaping of the **distribution channels**

Faster transformation and development of the two businesses

PREPAID SERVICES

- Strengthen **global leadership in B2B Prepaid Services**
- Strengthen leadership in **Prepaid Benefits** in Europe and Latin America, by shifting from paper to electronic media and developing **value-added services** for corporate customers and end-users
- Develop new sources of growth by introducing **new prepaid services** (incentives, expense management, etc) and using **new acceptance networks**

HOTELS

- Build a **world leader** strategically focused on the **Economy** and **Midscale segments**, while covering the range from **Budget** to **Upscale**
- Strengthen **leadership in Europe** with a **limited number of owned/leased hotels** in **key cities** and a large majority of hotels under **franchise and management contracts**
- Expand in **emerging countries** in the major **high-potential regions** (Asia, Latin America, Mideast) in a **limited number of countries**

Two new ambitions

ACCOR

A commitment to creating value

For each of the two companies and their employees

- Improve **performance management** and **optimize** the allocation of **financial resources to support their respective strategies**
- Forge strategic **alliances** and **partnerships** to **grow** their business
- Enjoy direct **access** to **capital markets** to finance **future growth**

Two ambitious business projects to provide resources to drive profitable growth

For shareholders

- Create 2 **pure players**
- Improve **visibility** and **growth prospects** in each business
- Capture each company's **cash flow**

Create value for shareholders

Demerger of the two businesses

Need for strong employee commitment,

to support two new corporate missions and

to sharpen our focus on these new challenges

Acting today would ensure that the two businesses were ready for the economic recovery

Appendices

Consolidated Balance Sheets – Summary

ASSETS - *In € millions*	**Dec. 2008**	**June 2009**
Intangible fixed assets	512	503
Goodwill	1,932	1,924
Property, plant and equipment	4,324	4,524
Total financial assets	403	425
Total non-current assets	**7,397**	**7,604**
Total current assets	**3,984**	**4,211**
Total assets	**11,417**	**11,849**

LIABILITIES &SHAREHOLDERS' EQUITY *In € millions*	**Dec. 2008**	**June 2009**
Shareholders' equity Group share	3,298	3,069
Shareholders' equity	3,556	3,325
Total non-current liabilities	**5,974**	**6,605**
Total current liabilities	**5,443**	**5,244**
Total liabilities and shareholders' equity	**11,417**	**11,849**

Hotels H1 2009 RevPAR by Segment

HOTELS: RevPAR H1 2009 by segment	Occupancy rate			Average Room Rate			RevPAR			
	Subsidiaries			Subsidiaries			Subsidiaries			Subsidiaries & managed
	(in %)	(chg in pts, rep.)	(chg in pts, L/L)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(chg in %, reported)
Up & Midscale Europe (in €)	56.5%	-8.9	-7.3	98	-8.9%	-4.7%	56	-21.3%	-15.3%	-21.1%
Economy Europe (in €)	64.1%	-7.3	-7.4	57	-0.1%	+1.9%	37	-10.4%	-8.6%	-10.5%
Economy US (in $)	58.7%	-5.8	-6.1	43	-4.1%	-4.6%	25	-12.8%	-13.7%	-12.8%

Up & Midscale Hotels H1 2009 RevPAR by Country

UP & MIDSCALE HOTELS: H1 2009 RevPAR by Country	Number of rooms	Occupancy Rate		Average Room Rate		RevPAR			
		Subsidiaries		Subsidiaries		Subsidiaries			Subsidiaries & managed
(in local currency)		(in %)	(chg in pts, rep.)	(in €)	(chg in %, rep.)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(chg in %, reported)
France	29,993	58.3%	-8.2	115	-0.9%	67	-13.2%	-13.1%	-13.3%
Germany	19,666	57.7%	-5.1	91	-5.4%	53	-13.1%	-14.0%	-13.0%
Netherlands	3,959	58.9%	-7.9	97	-14.0%	57	-24.2%	-24.2%	-24.5%
Belgium	1,801	62.8%	-7.1	107	-5.6%	67	-15.2%	-15.2%	-13.5%
Spain	2,333	48.9%	-15.3	86	-18.6%	42	-38.0%	-36.8%	-38.0%
Italy	3,522	54.0%	-3.6	103	-11.6%	55	-17.1%	-14.8%	-15.9%
UK (in £)	5,432	72.3%	-4.6	84	-5.9%	61	-11.5%	-12.9%	-11.9%

ACCOR

Economy Hotels H1 2009 RevPAR by Country

ECONOMY HOTELS: H1 2009 RevPAR by Country	Number of rooms	Occupancy Rate		Average Room Rate		RevPAR			
		Subsidiaries		Subsidiaries		Subsidiaries			Subsidiaries & managed
(in local currency)		(in %)	(chg in pts, rep.)	(in €)	(chg in %, rep.)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(chg in %, reported)
France	41,943	66.9%	-4.8	54	+7.3%	36	+0.1%	-1.8%	+0.1%
Germany	15,052	61.5%	-6.9	60	+0.7%	37	-9.4%	-9.7%	-8.1%
Netherlands	2,256	65.5%	-10.5	80	-4.4%	52	-17.7%	-17.7%	-17.7%
Belgium	2,562	66.5%	-9.9	70	-1.0%	46	-13.9%	-13.9%	-13.9%
Spain	4,627	55.6%	-17.2	54	-4.3%	30	-26.9%	-27.8%	-26.9%
Italy	1,550	54.7%	-6.9	72	-6.2%	39	-16.8%	-16.8%	-16.8%
UK (in £)	8,856	66.0%	-9.0	53	-5.9%	35	-17.1%	-13.0%	-16.8%
USA (in $)	77,836	58.7%	-5.8	43	-4.1%	25	-12.8%	-13.7%	-12.8%